

Message Text

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ACTION EUR-25

INFO OCT-01 ISO-00 DRC-01 EURE-00 SSO-00 NSCE-00 INRE-00

USIE-00 CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03

NSAE-00 NSC-10 PA-04 RSC-01 PRS-01 SPC-03 SS-20

ACDA-19 IO-14 OMB-01 SCI-06 EB-11 SCEM-02 COME-00

INT-08 TRSE-00 SIL-01 LAB-06 AID-20 CIEP-02 STR-08

CEA-02 FRB-02 XMB-07 OPIC-12 NEA-10 EA-11 /231 W
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O R 031402Z DEC 73

FM AMEMBASSY THE HAGUE

TO SECSTATE WASHDC IMMEDIATE 2489

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY ROME

USMISSION NATO

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E.O. 11652: N/A

TAGS: ENRG, PEOR, NL

SUBJECT: PRIME MINISTER ADDRESSES NATION ON
ENERGY CRISIS

1. SUMMARY: IN NATIONALLY TELEVISED ADDRESS TO NATION
DECEMBER 1, PRIME MINISTER DEN UYL CONFIRMED THAT
CABINET HAD DECIDED TO INTRODUCE GAS RATIONING AS OF
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JANUARY 7, 1974. HE SAID GON WOULD MAKE MAXIMUM EFFORT

TO SWITCH FROM OIL TO NATURAL GAS WHERE POSSIBLE. STRESS-
ING NEED FOR EC TO EVENLY DIVIDE AVAILABLE OIL,
PM SAID GON WOULD INSIST STRONGLY THAT EUROPEAN
SOLIDARITY BE DEMONSTRATED. DEN UYL SAID GON'S FIRST
PRIORITY WAS TO FORESTALL LARGE-SCALE UNEMPLOYMENT.
HE SAID GOVERNMENT WOULD INTRODUCE SPECIAL LEGISLATION
ASKING FOR AUTHORITY TO REGULATE ALL INCOMES AND WAGES
IN 1974. AS WELL AS RENTS, DIVIDENDS, BONUSES, ETC. PM'S
PRESENTATION WAS SOMBER. THOUGH HE EMPHASIZED
PROBLEMS GON FACED OVER COMING MONTHS, HE CONVEYED
IMPRESSION PROBLEMS WOULD BE MANAGEABLE IF MET SQUARELY
AND EARLY. IN FIRST REACTION TO ADDRESS, OPPOSITION
SPOKESMEN CLAIMED GOVERNMENT TAKING ADVANTAGE OF OIL
CRISIS TO INTRODUCE ITS PET "SOCIALIST SCHEMES" AND
WAS STILL TOO VAGUE. CONFESSORIAL PARTIES IN
COALITION WERE DIVIDED WITH ARP PRAISING SPEECH AND KVP
SPOKESMAN ALSO SUGGESTING IT TOO VAGUE. EDITORIAL
COMMENT, EVEN IN CONSERVATIVE PRESS, RELATIVELY
FAVORABLE. END SUMMARY.

2. IN 14-MINUTE ADDRESS TO NATION (FULL TEXT SEPTTEL)
CARRIED ON BOTH TV CHANNELS AND ON RADIO EVENING DEC 1,
PRIME MINISTER DEN UYL CONFIRMED THAT CABINET HAD
DECIDED INTRODUCE GAS RATIONING AS OF JANUARY 7.
PM POINTED OUT THIS WOULD BE FIRST TIME POST-WAR
GENERATION WOULD ENCOUNTER RATIONING AND SCARCITY.
DEN UYL ADMITTED MANY DUTCHMEN DEEPLY DISTURBED BY
POSSIBLE EFFECTS OF OIL CRISIS ON EMPLOYMENT. HE
ADMITTED THERE REASON FOR CONCERN BUT NOT FOR PANIC.
PM PUT CURRENT CRISIS IN WORLD-WIDE CONTEXT NOTING US
ALREADY FACED ENERGY CRISIS BEFORE OUTBREAK OF ME
HOSTILITIES IN OCTOBER AND NOTED WORLD HAD TO COPE WITH
25 PERCENT REDUCTION IN OIL SUPPLY IRRESPECTIVE OF BOYCOTT.

3. ADDRESSING ARAB BOYCOTT AGAINST NETHERLANDS, DEN UYL
SAID THAT SOME PEOPLE CLAIMING THAT BECAUSE OIL TANKS IN
RIJNSMOND (OIL REFINING CENTER NEAR ROTTERDAM) FULL
THERE NO NEED FOR STRINGENT ACTION. PM CAREFULLY
EXPLAINED TIME IT TOOK FOR OIL TANKERS TO REACH NETHERLANDS
FROM MIDDLE EAST AND SAID THAT LAST WEEK OIL IMPORTS
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HAD DROPPED 30 PERCENT. PM SAID HE FOLLOWED THESE
FIGURES DAY TO DAY. GON HAD TO FACE UP TO PROBABILITY
THAT OIL IMPORTS WOULD BE FROM 20 TO 30 PERCENT LESS
THAN NORMAL FOR CONSIDERABLE PERIOD, THEREFORE, SPECIAL
MEASURES NOW UNAVOIDABLE.

4. PM EMPHASIZED GOVERNMENT'S PRINCIPAL CONCERN IS
EMPLOYMENT. POINTING OUT THAT 70 PERCENT OF OIL IMPORTS

USED BY INDUSTRY AND ONLY 30 PERCENT BY INDIVIDUALS FOR CARS, HEATING, HE EXPLAINED THIS IS WHY GOVERNMENT HAD FIRST TRIED LIMIT CONSUMPTION IN PRIVATE SECTOR (AUTOLESS SUNDAY) SO MORE OIL WOULD BE AVAILABLE FOR INDUSTRY. WHILE ADMITTING HOLLAND'S SPECIAL VULNERABILITY TO OIL BOYCOTT BECAUSE OF USE OF OIL AS ENERGY OF FEEDSTOCK SOURCE BY SO MANY INDUSTRIES, PM POINTED OUT HOLLAND PRODUCES GREAT DEAL NATURAL GAS. GON IS DETERMINED TO USE THIS GAS AS MUCH AS POSSIBLE TO FORESTALL PROBLEMS RESULTING FROM OIL BOYCOTT. ON "ALL IMPORTANT QUESTION" OF EFFECTS OF OIL BOYCOTT ON UNEMPLOYMENT, PRIME MINISTER SAID THAT SHOULD OIL IMPORTS DROP BY 40 PERCENT AND SHOULD THIS SITUATION LAST SIX MONTHS, THERE WOULD BE SERIOUS UNEMPLOYMENT IN A NUMBER OF INDUSTRIES. GON WANTS INSOFAR AS POSSIBLE FORESTALL DEVELOPMENT OF THIS KIND SITUATION. THIS IS BASIC RATIONALE FOR GAS RATIONING AND ALSO FOR MEASURES NOW UNDER CONSIDERATION FOR LIMITATION ON USE OF ELECTRICITY, ETC.

5. POINTING OUT GON'S SUCCESS IN STEMMING UNEMPLOYMENT ALSO DEPENDED ON SITUATION IN EC, PM SAID GOVERNMENT EMPHASIZED THE APPLICATION OF THE BASIC PRINCIPLES OF THE EC. EC CAN ONLY FUNCTION IF SCARCITY OF PRODUCTS ARE SHARED PROPORTIONATELY." THE GOVERNMENT WILL IN ITS INTERNATIONAL CONSULTATIONS INSIST STRONGLY THAT EUROPEAN SOLIDARITY MUST NOW BE DEMONSTRATED. "NOW THE COMMUNITY WILL HAVE TO SHOW WHAT IT IS WORTH." PM NOTED SOMBERLY, HOWEVER, THAT EVEN IF EC UNITY WERE A FACT, NETHERLANDS WOULD STILL HAVE TO FACE UP TO FACT CURRENT CRISIS WOULD LIMIT ECONOMIC GROWTH AND SPUR INFLATION. MOREOVER, EVEN AFTER SPECIAL OIL BOYCOTT ENDED, ENTIRE WORLD WOULD HAVE TO COPE WITH LIMITATION OF OIL SUPPLY. PM SAID "WE MUST UNDERSTAND THAT WE CANNOT LIMITED OFFICIAL USE

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CONTINUE WITH THE USE OF LIMITED ENERGY AND RAW MATERIAL AS WE HAVE DONE IN THE LAST QUARTER OF CENTURY."

6. PM THEN EXPLORED PROBLEMS FACED BY SECTORS WITHIN THE ECONOMY EVEN IN THIS EARLY PERIOD AS RESULT OF AUTOLESS SUNDAY, ETC. SOME SECTORS OF ECONOMY BEING HURT MORE THAN OTHERS. THUS GON WAS PREPARING A PACKAGE OF LEGISLATION TO SPREAD BURDEN AND TO ENSURE THE "HEAVIEST BURDENS FALL UPON THE STRONGEST SHOULDERS." PM SAID BY END OF THIS WEEK GON WILL ASK PARLIAMENT FOR AUTHORIZATION TO IMPOSE SPECIAL REGULATIONS ON ALL INCOMES, SALARIES, PROFESSIONAL FEES, ETC. AS WELL AS RENTS, DIVIDENDS AND BONUSES. SPECIAL PRICE REGULATIONS WILL ALSO BE IMPOSED.

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O R 031402Z DEC 73

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7. PM ENDED HIS SPEECH BY THAKING HIS FELLOW CITIZENS
FOR VOLUNTARY COOPERATION THEY HAVE GIVEN SO FAR.
HE EMPHASIZED NEED FOR THIS COOPERATIVE SPIRIT TO
CONTUE ESPECIALLY AS MORE DISAGREEABLE EFFECTS OF OIL
BOYCOTT BEGINS TO E FELT. PM ENDED HOPEFULLY THAT
IF " WE ARE PREPARED TO ACCEPT ALL THIS, THAN THE WINTER
WILL NOT BE A COLD ONE NO MATTER HOW HARD IT FREEZES."

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8. PARLIAMENTARY REACTION. LIBERAL OPPOSITION LEADER WIEGEL, WHO ACCUSED PM OF BEING VAGUE, CHARGED THERE HAD BEEN NO MENTION OF CUTTING GOVERNMENT EXPENDITURES. WIEGEL WAS WARY OF GOVERNMENT USING CRISIS SITUATION TO IMPLEMENT ITS PET "SOCIALIST SCHEMES." ESPECIALLY INCOME REDISTRIBUTION. KVP FLOOR LEADER ANDRIESSEN ALSO FOUND THE SPEECH VAGUE AND REGRETTED NOTHING HAD BEEN SAID ABOUT CUTTING GOVERNMENT EXPENDITURES. ARP FLOOR LEADER AANTJES, WHO PRAISED SPEECH, SAID PM HAD SPOKEN AS A "REAL PRIME MINISTER" MORE THAN ANY OTHER TIME BEFORE. CHU FLOOR LEADER DRUISINGA SAID SPEECH CAME TOO LATE AND LACKED FOREIGN POLICY DIMENSION. LABOR PARTY FLOOR LEADER VAN THIJN PRAISED SPEECH, ESPECIALLY ITS EMPHASIS ON PREVENTING UNEMPLOYMENT. RADICAL LEADER DE GAAY FORTMAN SUGGESTED GOVERNMENT MUST RELY ON SUPPORT OF FIVE COALITION PARTIES AND SUGGESTED INTENSIVE CONSULTATION ON FINANCIAL/ECONOMIC AIMS OF GOVERNMENT IN LIGHT OF NEW SITUATION. DS'70 FLOOR LEADER DREES CHARGED PRIME MINISTER HAD BEEN TARDY WITH MESSAGE SINCE THERE NOW LITTLE TIME TO DISCUSS ADDRESS IN CHAMBER BEFORE CHRISTMAS RECESS. DREES ALSO SUGGESTED CREATION OF SPECIAL WATCHDOG CHAMBER COMMITTEE TO FOLLOW CRISIS.

9. EDITORIAL REACTION. LEFT WING MORNING DAILIES TROUW (PROTESTANT) AND VOLKSKRANT (CATHOLIC) IN LEAD EDITORIALS DEC3 PRAISED PM FOR HIS CANDOR AND FOR CONVEYING COLD FACTS WITHOUT CREATING PANIC. BOTH PAPERS GLOOMILY ACCEPTED AS FACT LIMITATION ON GROWTH, INFLATION, AND INCREASED UNEMPLOYMENT HE HAD PREDICTED. CONSERVATIVE TELEGRAAF, WHICH AGREED PM HAD PROPERLY EMPHASIZED SERIOUSNESS OF SITUATION NETHERLANDS FACES, SUGGESTED HE HAD BEEN TARDY IN MAKING FACTS KNOWN TO PUBLIC. TELEGRAAF CALLED FOR GREATER EFFORT TO DEVELOP ALTERNATIVE ENERGY SUPPLIES AND WARNED GOVERNMENT TO FORGET LEFT WING IDEOLOGY AND GET DOWN TO SERIOUS BUSINESS OF COPING WITH CRISIS. CONSERVATIVE ALGEMEEN DAGBLAD SIAD DEN UYL HAD BEEN TOO VAGUE AND EMPHASIZED NEED FOR "NATIONAL" APPROACH TO PROBLEMS. AD URGED COLSER CONSULTATION WITH PRIVATE INDUSTRY ON MEASURES TO STEM CRISIS. AD ALSO CALLED FOR A "DELTA PLAN"

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IN ENERGY FIELD IN WHICH ENTIRE NATION WOULD PARTICIPATE.

10. COMMENT. GON GHAD BEEN INCREASINGLY CRITICIZED, ESPECIALLY WITHIN PARLIAMENT, FOR NOT GIVING PUBLIC FULL FACTS ON POSSIBLE EFFECTS OF OIL BOYCOTT SOONER. SOURCES IN MFA TELL US DEN UYL WISHED TO SPEAK EARLIER BUT MFA DISSUADED HIM, ARGUING SITUATION STILL UNCERTAIN AND TOO MUCH CLARITY FROM DUTCH SIDEMIGHT FURTHER HARM GON CAUSE WITH ARABS. IN VIEW NON-RESULTS OF EC DEMARCHES, RISING TIDE OF UNREST AND WILD RUMORS ABOUT WHAT LAY AHEAD (MASSIVE UNEMPLOYMENT, ETC), PM OBVIOUSLY FELT HE COULD WAIT NO LONGER. HIS SPEECH IS SOBER BUT REALISTIC WARNING TO DUTCH PEOPLE THAT THINGS ARE BAD; AND PROBABLY WILL GET WORSE; BUT DESPITE SERIOUSNESS OF SITUATION THE APOCALYPSE IS STILL NOT NIGH. SPEECH IS ALSO ANOTHER WARNING TO EC PARTNERS THAT GON EXPECTS HELP AND IT IS TIME FOR EC TO PROVE ITSELF. PM DID NOT MENTION US OIL ASSISTANCE OFFER IN HIS DEC 1 ADDRESS, BUT AFTER CABINET MEETING NOV 30 COMMENTED HE HAD LEARNED " WITH GRATITUDE OF THIS OFFER" AND GOVT WOULD BE "STUDING POSSIBILITIES" AND HAVING FURTHER CONSULTATIONS ABOUT SUCH ASSISTANCE.

END COMMENT.
TANGUY

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Message Attributes

Automatic Decaptioning: X
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Copy: SINGLE
Draft Date: 03 DEC 1973
Decaption Date: 01 JAN 1960
Decaption Note:
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Disposition Approved on Date:
Disposition Authority: hilburpw
Disposition Case Number: n/a
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To: STATE
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Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005